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PSC ADOPTS ORDER TO ALLOW MONTANA SCHOOLS & LIBRARIES
TO APPLY FOR FEDERAL DISCOUNTS FOR TELECOMMUNICATIONS SERVICES

Montana's libraries and elementary and secondary schools should gear up now to take advantage of a first-come, first-served federal fund that will provide them with discounts ranging from 20 to 90 percent on telecommunications services beginning in 1998. By adopting the same discount levels for intrastate telecommunications services that the Federal Communications Commission established for interstate services, the state Public Service Commission has taken the action required by the FCC to enable eligible Montana schools and libraries to apply for the discounts as soon as the program is up and running. "It was in the interest of all Montanans, but especially our kids, that the commission act quickly to adopt the FCC discount levels so that Montana schools and libraries will be in a position to apply for the discounts as soon as possible," according to PSC Chairman Dave Fisher. "Now it's up to the schools and libraries in the state to take the required steps to obtain the discounts that are available."

The federal Telecommunications Act of 1996 guaranteed discounted rates on telecommunications services for libraries and K-12 schools. The FCC, the federal agency responsible for implementing the provisions of the Act, issued an order in May that established the discount program. The FCC expanded the existing federal "universal service fund" in order to make it available to support discounts for eligible schools and libraries on all commercially available telecommunications services, Internet access and internal connections. The federal fund can be used for intrastate discounts if the state adopts intrastate discount levels at least equal to the federal discounts, as the Montana PSC has done. The universal service fund is capped at \$2.25 billion per year.

The level of discounts for public and private schools and libraries is based on the level of eligibility for the federal free and reduced-price school lunch program. Libraries will use the school lunch eligibility percentage for their local school districts. Economically disadvantaged schools and libraries and those located in rural areas will receive greater discounts.

Schools and libraries will be able to apply for discounts within the next month or so. The details of the application process are still being worked out by the FCC and the temporary fund administrator, the National Exchange Carrier Association. The FCC is still considering an effective date for telecommunications services eligible for discounts during the first year of the program. Actual fund disbursement begins January 1, 1998.

Montana schools and libraries should begin to prepare now so they can get their applications submitted as soon as possible after the application process begins because the discounts will be available on a first-come, first-served basis. Items that

must be submitted to the

fund administrator by applicants for the discounts include:

- A technology plan, including plans for training, hardware, software and having enough money to pay for the undiscounted portion of the institution's telecommunications costs after the discounts. Technology plans must be approved by the Office of Public Instruction for schools and by the Montana State Library for libraries.
- A description of the services sought.
- A self-certification of eligibility, including need-based eligibility.

The FCC also encourages schools and libraries to organize into groups of eligible partners

to increase their purchasing power and make service even more affordable.

Persons interested in learning more about telecommunications discounts for schools and

libraries should call the Public Service Commission at 406-444-6191, or visit the PSC's Internet

website at www.psc.mt.gov.

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